

# Business Life

## In homage to one who refused to play the academic game

If a young Peter Drucker turned up today at a top-flight business school he would not be considered for an assistant professorship, let alone tenure. The most influential management thinker of the modern era, who died last week aged 95, refused to play the academic game. He declined to publish in obscure journals, to fill his papers with redundant algebra, to narrow his field of vision when an understanding of management demanded breadth.

To academics, this meant Drucker's work lacked rigour. Yes, he was learned and perceptive. But where were the sampling methodologies and statistical regressions? How could you take seriously a man who preferred to write for newspapers than for the *International Journal of Operations and Production Management*? The decades-long stand-off meant that Drucker never held a faculty position at Harvard, Stanford, Wharton, Kellogg or the other power-houses of US management research.

This was hardly a tragedy for either side. Business schools thrived without Drucker, growing at an astonishing rate from the 1960s through to the end of the 1990s. The Viennese-American thrived, too, writing three dozen books, hundreds of articles and establishing himself as the original and pre-eminent management guru. Eventually, a modest school of business was named in his honour – at Claremont, near Los Angeles, where he spent the last 30 years of his life lecturing variously on business strategy and Japanese art.

But even if the rift with academia never bothered Drucker (in fact, it bothered him more than he let on) it was troubling to disinterested observers. Both sides purported to be trying to deepen our understanding of organisations and generate useful ideas to improve the way they are managed. Yet the research methods of the wilful generalist were diametrically opposed to the increasingly fine specialisations of the academy. Who was right?

One way to answer the question is to let the market decide. For its annual ranking of the world's most respected companies, the *Financial Times* this year polled almost 1,000 chief executives. For the first time, they were asked to nominate the management writer or guru who had had the greatest impact on them. I will not spoil the surprise (the full results will be published next week in a special supplement); suffice it to say that only five of the top 20 gurus work primarily in academia. The rest are practising managers, consultants or refugees from business schools.

At first glance, the paucity of professors is surprising. After all, management academics are for the most part clever and have time to research vital business topics. Surely they should be the primary wellsprings of management ideas?

The snag is that the academic system rewards rigour over relevance. Aspiring professors achieve tenure by publishing regularly in academic journals. Usually,

this means focusing on narrow topics amenable to statistical analysis. There is no credit for writing accessible articles in newspapers. Publishing blockbuster business books is positively discouraged until later in one's career.

Even in the late 1970s, before academic specialisation became a fetish, eyebrows were raised when Michael Porter, then a lowly assistant professor at Harvard Business School, announced plans to write a book on corporate strategy. How presumptuous! Never mind that the result was *Competitive Strategy*, one of the most influential business books of any era. Today's young Porters are warned against such flights of fancy.

The academic system also tends to cut off professors from the very subject they are supposed to research. The focus on statistical analysis leads young hopefuls to rely on third-party databases that can be sliced and diced. Alternatively, they carry out behavioural experiments on their MBA students. Either way, they rarely spend time working with practising managers in workplace settings.

"By recruiting and promoting those who publish in discipline-based journals, business schools are creating faculties filled with individuals whose main professional aspiration is a career devoted to science," wrote professors Warren Bennis and Jim O'Toole, of the University of Southern California's Marshall School of Business, earlier this year in the *Harvard Business Review*.

"Today it is possible to find tenured professors of management who have never set foot inside a real business, except as customers."

Until a few years ago it would have seemed preposterous to talk of a crisis of confidence in business schools. Demand for places on undergraduate and graduate management courses was growing so fast schools could hardly keep pace. An MBA was established as the gold standard for any ambitious twenty-something seeking a career in business.

Since 2001, however, demand has slackened. Discerning employers, such as management consulting firms and blue-chip corporations, have started to cast their recruiting net more widely. These days a good doctorate or time spent running your own business looks as good a qualification as a hatful of second-year electives in financial economics. A handful of enlightened business school deans – such as Robert Joss at Stanford, Dipak Jain at Kellogg and Roger Martin at the University of Toronto's Rotman School – are starting to preach the gospel of integrated thinking, cross-disciplinary studies and learning-by-doing. Yes, relevance is resurgent.

My bet is that Peter Ferdinand Drucker, student of international law, history, organisations, politics, ethics, aesthetics and the human condition, will have the last laugh. The world is certainly poorer for his passing.

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